

MONETARY DEVELOPMENTS A

Factors Influencing the Monetary Base in 1973¹ Averages of Daily Figures

	Millions of Dollars		Change	Change in Source Base Attributable To:
	December 1972	December 1973		
Federal Reserve Credit				
U.S. Government Securities ²	\$71,185	\$ 79,851	\$+8,666	+ 96.1%
Loans	1,049	1,298	+ 249	+ 2.8
Float	3,479	3,326	- 153	- 1.7
Other F.R. Assets	1,138	1,079	- 59	- 0.7
Total	76,851	85,554	+8,703	+ 96.5
Other Factors				
Gold Stock	10,410	11,567	+1,157	+ 12.8
Special Drawing Rights Certificate Acct.	400	400	0	0
Treasury Currency Outstanding	8,293	8,668	+ 375	+ 4.2
Treasury Cash Holdings ³	350	323	+ 27	+ 0.3
Treasury Deposits with F.R. Banks ³	1,449	1,892	- 443	- 4.9
Foreign Deposits with F.R. Banks ³	272	406	- 134	- 1.5
Other Deposits with F.R. Banks ³	631	717	- 86	- 1.0
Other F.R. Liabilities and Capital ³	2,362	2,942	- 580	- 6.4
Total	14,039	14,355	+ 316	+ 3.5
Total Source Base	\$90,890	\$ 99,910	\$+9,020	100.0%
Reserve Adjustment ^{4,5}	7,245	5,489	-1,756	
Monetary Base⁵	\$98,135	\$105,399	\$+7,264	
Monetary Base, Seasonally Adjusted⁵	\$97,006	\$104,275		

¹The monetary base is defined as the net monetary liabilities of the U.S. Treasury and Federal Reserve System held by commercial banks and the nonbank public. For a brief description of each of the factors influencing the monetary base see **Glossary: Weekly Federal Reserve Statements**, Federal Reserve Bank of New York. Copies of this publication are available on request from the Federal Reserve Bank of New York, Public Information Department, 33 Liberty Street, New York, New York 10045.

²Includes Federal agency obligations and bankers' acceptances.

³These items absorb funds and therefore a reduction in them releases reserves and increases the base (sign is reversed on dollar changes and percent distribution).

⁴Adjustment for reserve requirement changes and changes in average requirements due to shifts in deposits where different reserve requirements apply.

⁵Computed by this Bank.

Totals may not add due to rounding.

Margin Requirements on Listed Stocks

In effect January 1, 1973	65%
In effect December 31, 1973	65%

Discount Rate

In effect January 1, 1973	4½%
January 15, 1973	5
February 26, 1973	5½
May 4, 1973	5¾
May 11, 1973	6
June 11, 1973	6½
July 2, 1973	7
August 14, 1973	7½
In effect December 31, 1973	7½%

STEM POLICY ACTIONS IN 1973

Maximum Interest Rates Payable on Time & Savings Deposits¹

	In Effect Jan. 1, 1973	In Effect Dec. 31, 1973
Savings Deposits	4½%	5%
Other Time Deposits		
Multiple maturity:		
30-89 days	4½	5
90 days to 1 year	5	5½
1 year to		
2 years	5½	--
2½ years	--	6
2 years and over	5¾	--
2½ years and over	--	6½
4 years and over (minimum denomination of \$1,000)	--	7¼ ^{2/}
Single maturity:		
Less than \$100,000		
30-89 days	5	5
90 days to 1 year	5	5½
1 year to		
2 years	5½	--
2½ years	--	6
2 years and over	5¾	--
2½ years and over	--	6½
4 years and over (minimum denomination of \$1,000)	--	7¼ ^{2/}
\$100,000 and over		
30-59 days	¾	¾
60-89 days	¾	¾
90-179 days	6¾	¾
180 days to 1 year	7	¾
1 year or more	7½	¾

¹A member bank may not pay a rate in excess of the maximum rate payable by state banks or trust companies on like deposits under the laws of the state in which the member bank is located.

²Between July 1 and October 31, 1973, there was no ceiling on 4-year certificates with minimum denomination of \$1,000. The amount of such certificates that a bank could issue was limited to 5 percent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ percent ceiling that applies to time deposits maturing in 2½ years or more. Effective November 1, 1973, a ceiling rate of 7¼ percent was imposed on certificates maturing in 4 years and over with minimum denominations of \$1,000. There is no limitation on the amount of these certificates that banks may issue.

³Suspended as of June 24, 1970.

⁴Suspended as of May 16, 1973.

Percent Reserve Requirements

	Net Demand Deposits					Time Deposits up to \$5 Million & Savings Deps.	Time Deposits in Excess of \$5 Million ¹
	\$2 Million or Less	Over \$2 Million to \$10 Million	Over \$10 Million to \$100 Million	Over \$100 Million to \$400 Million	Over \$400 Million (Reserve City)		
In effect Jan. 1, 1973	8	10	12	13	17½	3	5
July 19, 1973	8	10½	12½	13½	18	3	5
In effect Dec. 31, 1973	8	10½	12½	13½	18	3	5

¹Effective dates quoted below are deposit dates. On June 21, 1973 a marginal requirement of 8 percent (the regular 5 percent plus a supplemental 3 percent) was imposed on increases in the total amount outstanding of \$100,000 and over single maturity time deposits and bank-related commercial paper above the level existing during the week ending May 16, 1973, or above \$10 million, whichever is larger.

June 21, 1973 reserve requirements were reduced on Eurodollar borrowings, above the reserve-free base, from 20 percent to 8 percent.

July 12, 1973 finance bills were included in the total volume subject to the supplemental reserve requirement.

August 30, 1973 multiple time deposits of \$100,000 or more became subject to the supplemental reserve requirement.

October 4, 1973 the supplemental reserve requirement was raised to 6 percent.

December 13, 1973 the supplemental reserve requirement was reduced to 3 percent.